

**Housing Authority of the Parish of St. James  
Lutcher, Louisiana**

***Annual Financial Report***  
**As of and for the Year Ended September 30, 2015**



**Housing Authority of the Parish of St. James**  
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## INDEPENDENT AUDITOR'S REPORT

Board of Commissioners  
Housing Authority of the Parish of St. James  
Lutcher, Louisiana

### Report on the Financial Statements

We have audited the accompanying financial statements of the Housing Authority of the Parish of St. James as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Housing Authority's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Housing Authority's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Housing Authority's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Housing Authority, as of September 30, 2015, and the changes in its financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary and Other Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Housing Authority's basic financial statements. The accompanying supplementary information, as listed in the table of contents, which includes the financial data schedule, required by the United States Department of Housing and Urban Development, and the schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and the other information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplementary information, as listed in the table of contents, which includes the financial data schedule, required by the United States Department of Housing and Urban Development, and the schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information, as listed in the table of contents, which includes the financial data schedule, required by the United States Department of Housing and Urban Development and the schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The other information, as listed in the table of contents, has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 29, 2016 on our consideration of the Housing Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Housing Authority's internal control over financial reporting and compliance.

*Allen, Green & Williamson, LLP*

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana  
March 29, 2016

**REQUIRED SUPPLEMENTARY INFORMATION**  
**MANAGEMENT'S DISCUSSION**  
**AND ANALYSIS (MD&A)**



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**Housing Authority of the Parish of St. James  
Management's Discussion and Analysis (MD&A)  
September 30, 2015**

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The St. James Parish Housing Authority hereinafter referred to as “the Authority” management’s discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues; (b) provide an overview of the Authority’s financial activity; (c) identify changes in the Authority’s financial position; and, (d) identify individual fund issues or concerns.

Since the Management’s Discussion and Analysis (MD&A) is designed to focus on the current years activities, resulting changes and currently known facts, please read it in conjunction with the Authority’s financial statements.

**FINANCIAL HIGHLIGHTS**

- The Authority’s Net Position decreased by \$271,305 during 2015. Net Position was \$4,649,570 and \$4,920,875 for 2015 and 2014, respectively.
- Revenues excluding capital grants decreased by \$147,588. Revenues were \$1,954,446 and \$2,102,034 for 2015 and 2014, respectively.
- The total expenses for all Authority programs increased by \$12,311. Total expenses were \$2,320,706 and \$2,308,395 for 2015 and 2014 respectively.

**USING THIS ANNUAL REPORT**

The Report includes three major sections, the “Management’s Discussion and Analysis (MD&A)”, “Basic Financial Statements”, and “Supplementary Information”:

**MD&A**

Management’s Discussion and Analysis

**Basic Financial Statements**

Authority-wide Financial Statements  
Notes to Financial Statements

**Supplementary Information**

Schedule of Compensation, Benefits and Other Payments to Agency Head  
Compensation Paid Board Members  
Financial Data Schedule

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**Housing Authority of the Parish of St. James  
Management's Discussion and Analysis (MD&A)  
September 30, 2015**

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The primary focus of the Authority's financial statements is on the Authority as a whole. This allows the user to address relevant questions, broaden a basis for comparison (year to year or Authority to Authority) and enhance the Authority's accountability.

### **Fund Financial Statements**

These Statements include a Statement of Net Position which reports all financial and capital resources for the Authority. The statement is presented in the format where assets plus deferred outflows of resources minus liabilities plus deferred inflows of resources equals "Net Position", formerly known as equity. Assets, liabilities and deferred outflows and inflows of resources are presented in order of liquidity, and are classified as "Current" (convertible into cash within one year), and "Non-current".

The focus of the Statement of Net Position (the "Unrestricted Net Position") is designed to represent the net available liquid (non-capital) assets and deferred outflows of resources, net of liabilities and deferred inflows of resources, for the entire Authority. Net Position (formerly equity) are reported in three broad categories:

Net Investment in Capital Assets: This component of net position consists of all capital assets, reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted Net Position: This component of net position consists of restricted assets, when constraints are placed on the asset by creditors (such as debt covenants), grantors, contributors, laws, regulations, etc.

Unrestricted Net Position: Consists of net position that do not meet the definition of "Net Investment in Capital Assets," or "Restricted Net Position".

The financial statements also include a Statement of Revenues, Expenses and Changes in Fund Net Position (similar to an Income Statement). This Statement includes operating revenues, such as rental income, operating expenses, such as administrative, utilities, and maintenance, and depreciation, and non-operating revenue and expenses, such as capital grant revenue, investment income and interest expense.

The focus of the Statement of Revenues, Expenses and Changes in Fund Net Position is the "Change in Net Position", which is similar to net income or loss.

Finally, a Statement of Cash Flows is included, which discloses net cash provided by, or used for operating activities, capital and related financing activities, and from investing activities.

The Authority uses the enterprise fund basis for accounting, which utilizes the full accrual basis. The enterprise method of accounting is similar to accounting used by the private sector for accounting.

### **The Authority's Programs**

Conventional Public Housing – Under the Conventional Public Housing Program, the Authority rents units that it owns to low-income households. The Conventional Public Housing Program is operated under an Annual Contributions Contract (ACC) with HUD, and HUD provides Operating Subsidy and Capital Grant funding to enable the PHA to provide the housing at a rent that is based upon 30% of household income. The Conventional

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**Housing Authority of the Parish of St. James**  
**Management's Discussion and Analysis (MD&A)**  
**September 30, 2015**

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Public Housing Program also includes the Capital Fund Program, which is the primary funding source for physical and management improvements to the Authority's properties.

## **FINANCIAL STATEMENTS**

### **Statement of Net Position**

The following table reflects the condensed Statement of Net Position compared to prior year. The Authority is engaged only in Business-Type Activities.

**TABLE 1**  
**STATEMENT OF NET POSITION**

	2015	2014	Variance
Other Assets	\$ 970,790	\$ 1,233,145	\$ (262,355)
Capital Assets	3,861,643	3,937,907	(76,264)
Total Assets	<u>4,832,433</u>	<u>5,171,052</u>	<u>(338,619)</u>
Other Liabilities	95,144	194,734	(99,590)
Long-Term Liabilities	87,719	55,443	32,276
Total Liabilities	<u>182,863</u>	<u>250,177</u>	<u>(67,314)</u>
Net Position:			
Net Investment in Capital Assets	3,861,643	3,937,907	(76,264)
Restricted	-	272,025	(272,025)
Unrestricted	787,927	710,943	76,984
Total Net Position	<u>\$ 4,649,570</u>	<u>\$ 4,920,875</u>	<u>\$ (271,305)</u>

### **Major Factors Affecting the Statement of Net Position**

Other assets, excluding restricted cash, decreased by \$87,070 as of September 30, 2015 mainly because insurance proceeds that were a receivable in 2014 were received in 2015. There was a decrease of \$175,285 in restricted current assets because the remaining restricted funds were paid out for capital assets acquired and constructed in 2015.

Total Liabilities decreased by \$67,314 because accounts payable for a large construction project that was accrued in 2014 was paid in 2015.

Net capital assets decreased by \$76,264. The components of capital assets changed, including a net increase of \$501,421 for acquisitions less dispositions and an increase in \$577,685 of accumulated depreciation.

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**Housing Authority of the Parish of St. James  
Management's Discussion and Analysis (MD&A)  
September 30, 2015**

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Table 2 presents details on the change in Unrestricted Net Position.

**TABLE 2  
CHANGE OF UNRESTRICTED NET POSITION**

Unrestricted Net Position as of September 30, 2014	<u>\$ 710,943</u>
Results from Operations	(271,305)
Adjustments:	
Depreciation (1)	577,685
Funding Provided for Capital Grants (2)	94,955
Capital Asset Purchases	(511,611)
Change in Restriction for Modernization and Development	<u>187,260</u>
Adjusted Results from Operations	<u>76,984</u>
Unrestricted Net Position as of September 30, 2015	<u><u>\$ 787,927</u></u>

- (1) Depreciation is treated as an expense and reduces the results of operations but does not have an impact on Unrestricted Net Position.
- (2) Funding provided for capital grant hard costs, pursuant to GASB 33, is reported as revenue. However, the revenue is absorbed by the associated capital purchases and therefore does not increase Unrestricted Net Position.

While the results of operations are a significant measure of the Authority's activities, the analysis of the changes in Unrestricted Net Position provides a clearer measure in financial well being.

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**Housing Authority of the Parish of St. James**  
**Management's Discussion and Analysis (MD&A)**  
**September 30, 2015**

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**TABLE 3**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**

The following schedule compares the revenues and expenses for the current and previous fiscal year. The Authority is engaged only in Business-Type Activities.

	<u>2015</u>	<u>2014</u>	<u>Variance</u>
Revenues			
Tenant Revenue – Rents and Other	\$ 621,604	\$ 601,600	\$ 20,004
Operating Subsidies and Grants	1,216,738	1,195,361	21,377
Capital Grants	94,955	256,625	(161,670)
Other Revenues	<u>116,104</u>	<u>305,073</u>	<u>(188,969)</u>
Total Revenue	<u>2,049,401</u>	<u>2,358,659</u>	<u>(309,258)</u>
Expenses			
Administration	543,429	576,936	(33,507)
Tenant services	217,895	205,398	12,497
Utilities	152,955	125,327	27,628
Ordinary maintenance and operations	488,775	487,991	784
General expenses	339,967	269,534	70,433
Nonroutine maintenance	-	93,737	(93,737)
Depreciation	<u>577,685</u>	<u>549,472</u>	<u>28,213</u>
Total Expenses	<u>2,320,706</u>	<u>2,308,395</u>	<u>12,311</u>
Net Increase (Decrease)	<u>\$ (271,305)</u>	<u>\$ 50,264</u>	<u>\$ (321,569)</u>

**Major Factors Affecting the Statement of Revenue, Expenses and Changes in Net Position**

Total revenues decreased by \$309,258, mainly due to a reduction in capital grant HUD funding and a decrease in revenues related to insurance reimbursements for fire losses sustained.

Total expenses increased \$12,311 from 2014 to 2015 mainly due to increases in utilities and depreciation, and a decrease in casualty loss expenses.

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**Housing Authority of the Parish of St. James  
Management's Discussion and Analysis (MD&A)  
September 30, 2015**

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**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

As of the end of 2015, the Authority had \$3,861,643 invested in a variety of capital assets as reflected in the following schedule.

**TABLE 4**

**CAPITAL ASSETS AT YEAR-END  
(NET OF DEPRECIATION)**

	2015	2014
Land	\$ 554,522	\$ 554,522
Buildings	15,446,424	14,979,242
Furniture and Equipment	332,600	308,551
Accumulated Depreciation	(12,471,903)	(11,904,408)
Total	<u>\$ 3,861,643</u>	<u>\$ 3,937,907</u>

The capital assets had a net increase in buildings by \$467,182 and an increase in furniture and equipment by \$24,049. Accumulated depreciation also increased by \$567,495, due to a net increase from current year depreciation less the disposal of administrative equipment.

The following reconciliation summarizes the change in capital assets.

**TABLE 5**

**CHANGE IN CAPITAL ASSETS**

	Business Activities
Beginning Balance	\$ 3,937,907
Additions, Net of Retirements	491,231
Depreciation and Amortization	(567,495)
Ending Balance	<u>\$ 3,861,643</u>

**Debt**

Other than routine payables and other accrued liabilities, the Authority did not have debt outstanding as of September 30, 2014 or 2015.

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**Housing Authority of the Parish of St. James  
Management's Discussion and Analysis (MD&A)  
September 30, 2015**

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**ECONOMIC FACTORS**

Significant economic factors affecting the Authority are as follows:

- Federal funding provided by Congress to the Department of Housing and Urban Development.
- Local labor supply and demand, which can affect salary and wage rates.
- Local inflationary, recessionary and employment trends, which can affect resident incomes and therefore the amount of rental income.
- Inflationary pressure on utility rates, supplies and other costs.

**FINANCIAL CONTACT**

The individual to be contacted regarding this report is Dana Groover, Executive Director of the St. James Parish Housing Authority, at (225) 869-3278. Specific requests may be submitted to the St. James Parish Housing Authority, 2627 North King Avenue, Litcher, Louisiana, 70071.

**Housing Authority of the Parish of St. James  
Lutcher, Louisiana**

**ENTERPRISE FUNDS  
Statement of Net Position  
September 30, 2015**

**Statement A**

**ASSETS**

Current Assets

Cash and cash equivalents	\$ 676,210
Accounts receivable, net	161,802
Prepaid items and other assets	47,759
Inventory	32,043

Restricted Assets

FSS escrow	12,523
Resident deposits	<u>40,453</u>

Total Current Assets	970,790
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Capital Assets

Land, buildings, and equipment (net)	<u>3,861,643</u>
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TOTAL ASSETS	<u>4,832,433</u>
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**LIABILITIES**

Current Liabilities

Accounts payable	30,451
Unearned revenue	3,113
Current portion of compensated absences payable	21,127

Current Liabilities Payable From Current Restricted Assets

Deposits due others	<u>40,453</u>
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Total Current Liabilities	<u>95,144</u>
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Noncurrent Liabilities

FSS escrow liability	12,523
Compensated absences payable	<u>75,196</u>

Total noncurrent Liabilities	<u>87,719</u>
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TOTAL LIABILITIES	<u>182,863</u>
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**NET POSITION**

Net investment in capital assets	3,861,643
Unrestricted	<u>787,927</u>

NET POSITION	<u><u>\$ 4,649,570</u></u>
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THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.



**Housing Authority of the Parish of St. James  
Lutcher, Louisiana**

**ENTERPRISE FUNDS  
Statement of Revenues, Expenses,  
and Changes in Fund Net Position  
For the Year Ended September 30, 2015**

	<b>Statement B</b>
<b>OPERATING REVENUES</b>	
Dwelling rental	\$ 621,604
Federal grants	1,216,738
Other income	<u>57,453</u>
Total operating revenues	<u>1,895,795</u>
<b>OPERATING EXPENSES</b>	
Administration	543,429
Tenant services	217,895
Utilities	152,955
Ordinary maintenance & operations	488,775
General expenses	339,967
Depreciation	<u>577,685</u>
Total operating expenses	<u>2,320,706</u>
Income (loss) from Operations	<u>(424,911)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Interest earnings	409
Miscellaneous revenue (expense)	<u>58,242</u>
Total nonoperating revenues (expenses)	<u>58,651</u>
Net income (Loss) before capital contributions	(366,260)
Capital contributions	<u>94,955</u>
Change in net position	(271,305)
NET POSITION AT BEGINNING OF YEAR	<u>4,920,875</u>
NET POSITION AT END OF YEAR	<u><u>\$ 4,649,570</u></u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**Housing Authority of the Parish of St. James  
Lutcher, Louisiana**

**ENTERPRISE FUNDS  
Statement of Cash Flows  
For the Year Ended September 30, 2015**

	<b>Statement C</b>
CASH FLOWS FROM OPERATING ACTIVITIES	
Rental receipts	\$ 626,133
Other receipts	237,514
Federal grants	1,169,227
Payments to employees	(542,478)
Payments to vendors	(1,307,869)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>182,527</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase capital assets	(511,611)
Insurance proceeds from capital expenditures	68,432
Capital contributions	94,955
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(348,224)</u>
CASH FLOW FROM INVESTING ACTIVITIES:	
Interest and dividends	409
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>409</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(165,288)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>894,474</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>729,186</u></u>
Reconciliation to Financial Statements:	
Cash and cash equivalents	676,210
Restricted cash - FSS escrow	12,523
Restricted cash - Resident deposits	40,453
Total cash and cash equivalents	<u><u>729,186</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Operating income (loss)	(424,911)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	577,685
Change in assets and liabilities:	
Receivables, net	132,151
Prepaid items	(31,360)
Inventory	(3,724)
Accounts payables	(89,737)
FSS escrow	8,373
Security deposits	5,741
Unearned revenue	(813)
Compensated absences	9,122
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u><u>\$ 182,527</u></u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**Housing Authority of the Parish of St. James**  
**Notes to the Financial Statements**  
**September 30, 2015**

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**Housing Authority of the Parish of St. James**  
**Notes to the Financial Statements**  
**September 30, 2015**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** The accompanying financial statements of the Housing Authority of the Parish of St. James (the Housing Authority) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

**A. REPORTING ENTITY** Housing authorities are chartered as public corporations under the laws LSA-R.S. 40:391 of the state of Louisiana for the purpose of providing safe and sanitary dwelling accommodations. This creation was contingent upon the local governing body of the city or parish declaring a need for the Housing Authority to function in such city or parish. The Housing Authority is governed by a five-member board of commissioners.

The Housing Authority has the following units:

PHA Owned Housing

# of Units  
318

GASB Standards establish criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of these Statements, the Housing Authority is considered a *primary government*, since it is a special purpose government that has a separate governing body, is legally separate, and is fiscally independent of other state or local governments. Fiscally independent means that the Housing Authority may, without the approval or consent of another governmental entity, determine or modify its own budget, set rates or charges, and issue bonded debt.

Certain units of local government over which the Housing Authority exercises no oversight responsibility, such as the school board, parish police jury, other independently elected parish officials, and municipalities within the parish, are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from those of the Housing Authority. In addition, the accompanying financial statements do not include various resident associations which are legally separate entities.

**B. FUNDS** The accounts of the Housing Authority are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements.

The funds of the Housing Authority are classified as proprietary.

Proprietary funds account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Proprietary funds differ from governmental funds in that their focus is on income measurement, which, together with the maintenance of equity, is an important financial indicator. The general fund accounts for the transactions of the public housing low rent program, and the capital fund program, resident opportunity and supportive services and public housing family self-sufficiency under ROSS.

**C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING** Proprietary funds are accounted for on the flow of economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred. With this measurement

**Housing Authority of the Parish of St. James**  
**Notes to the Financial Statements**  
**September 30, 2015**

focus, all assets, all liabilities and all deferred outflows/inflows of resources associated with the operation of these funds are included on the statement of net position.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with proprietary funds' principal ongoing operations. The principal operating revenues of the Housing Authority's funds are federal grants received for operations and rent and maintenance charges to residents. Operating expenses for proprietary funds include the administrative costs of providing the service. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**D. INVESTMENTS** Investments are limited by R.S. 33:2955 and the Housing Authority's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

The investments are reflected at fair value except for the following which are required/permitted as per GASB Statement No. 31:

1. Investments in nonparticipating interest-earning contracts, such as nonnegotiable certificates of deposit with redemption terms that do not consider market rates, are reported using a cost-based measure.
2. The Housing Authority reports at amortized cost money market investments and participating interest-earning investment contracts that have a remaining maturity at time of purchase of one year or less.

**Definitions:**

Interest-earning investment contract include time deposits with financial institutions (such as certificates of deposit), repurchase agreements, and guaranteed investment contracts.

Money market investments are short-term, highly liquid debt instruments that include U. S. Treasury obligations.

**E. CASH AND CASH EQUIVALENTS** Cash includes amounts in demand deposits and interest-bearing demand deposits and short term investments with original maturities of 90 days or less from the date of acquisition. Cash equivalents include amounts in time deposits and cash with fiscal agent. Under state law, the Housing Authority may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

**F. INVENTORY AND PREPAID ITEMS** All inventory items are valued at cost using first-in, first-out method. Inventory is recorded using the consumption method.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

**G. CAPITAL ASSETS** Capital assets are recorded at historical cost and depreciated over their estimated useful lives (excluding salvage value). The capitalization threshold is \$500. Donated capital assets are recorded at their estimated fair value at the date of donation. Estimated useful life is management's estimate of how long the asset is expected to meet service demands.

**Housing Authority of the Parish of St. James**  
**Notes to the Financial Statements**  
**September 30, 2015**

Straight line depreciation is used based on the following estimated useful lives:

Site improvements	10.0 years
Original development costs	27.5 years
Equipment	5.0 years

**H. COMPENSATED ABSENCES** The Housing Authority follows Louisiana Civil Service regulations for accumulated annual and sick leave. Most employees may accumulate up to 300 hours of annual leave which may be received upon termination or retirement. However, the Executive Director is considered an unclassified employee with the Louisiana Civil Service and is able to obtain full balance of annual leave upon termination or retirement. Sick leave hours accumulate, but the employee is not paid for them if not used by his/her retirement or termination date.

**I. RESTRICTED NET POSITION** Net Position is reported as restricted when constraints placed on Net Position use are either:

Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

It is the Housing Authority's policy to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available.

**J. USE OF ESTIMATES** The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**NOTE 2 - DEPOSITS AND INVESTMENTS** At September 30, 2015, the Housing Authority has cash and cash equivalents of \$729,186 as follows:

Deposits are stated at cost, which approximates fair value. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The fair value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

**Custodial Credit Risk:** At year end, the Housing Authority's carrying amount of deposits was \$729,186 (which includes restricted cash of \$12,523 for FSS escrow and \$40,453 for resident security deposits) and the bank balance was \$786,369. Of the bank balance, \$320,615 was covered by federal depository insurance or by collateral held by the Housing Authority's agent in the Housing Authority's name. The remaining balance of \$465,754 was collateralized with securities held by the pledging financial institution's trust department or agent but not in the Housing Authority's name. Even though the pledged securities are considered uncollateralized under the provisions of GASB Statement No. 3 Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell pledged securities within 10 days of being notified by the Housing Authority that the fiscal agent has failed to pay deposited funds upon demand. The Housing Authority's policy is to have deposits 100% collateralized at all times.

**Housing Authority of the Parish of St. James**  
**Notes to the Financial Statements**  
**September 30, 2015**

**Interest Rate Risk:** The Housing Authority's policy does not address interest rate risk.

**Credit Rate Risk:** The Housing Authority's policy does not address credit rate risk.

**NOTE 3 - RECEIVABLES** The receivables net of allowance for doubtful accounts at September 30, 2015, are as follows:

<u>Class of Receivables</u>	
Tenants, net of allowance of \$130	\$ 7,753
Notes, net of allowance of \$186	60
Fraud Recovery, net of allowance of \$11,657	-
HUD	153,989
Total	<u>\$ 161,802</u>

**NOTE 4 - CAPITAL ASSETS** The changes and balances at September 30, 2015 in capital assets are as follows:

	Balance Beginning	Additions	Deletions	Balance Ending
Capital asset not being depreciated				
Land	\$ 554,522	\$ -	\$ -	\$ 554,522
Total capital assets not being depreciated	554,522	-	-	554,522
Capital assets being depreciated				
Buildings & improvements	14,979,242	467,182	-	15,446,424
Furniture and equipment	308,551	44,429	20,380	332,600
Total capital assets being depreciated	15,287,793	511,611	20,380	15,779,024
Less accumulated depreciation				
Buildings & improvements	11,675,047	551,813	-	12,226,860
Furniture and equipment	229,361	25,872	10,190	245,043
Total accumulated depreciation	11,904,408	577,685	10,190	12,471,903
Total capital assets being depreciated, net	3,383,385	(66,074)	10,190	3,307,121
Capital assets, net	<u>\$ 3,937,907</u>	<u>\$ (66,074)</u>	<u>\$ 10,190</u>	<u>\$ 3,861,643</u>

**NOTE 5 - RETIREMENT SYSTEM** In fiscal year 2015, the Housing Authority adopted one new statement of financial accounting standards issued by the Governmental Accounting Standards Board:

- *Statement No. 68, Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27* establishes standards of accounting and financial reporting for defined benefit pensions and defined contribution pensions provided to the employees of state and local governmental employers through pension plans that are administered through trusts or equivalent arrangements. This Statement establishes standards for measuring and recognizing pension liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined contribution pensions, this Statement requires an employer to recognize pension expense for the amount of contributions to employees' accounts that are defined by the benefit terms as attributable to employees' services in the period, net of forfeited amounts that are removed from employees' accounts. A change in the pension liability is required to be recognized

**Housing Authority of the Parish of St. James**  
**Notes to the Financial Statements**  
**September 30, 2015**

for the difference between amounts recognized in expense and amounts paid by the employer to a defined contribution pension plan.

The Housing Authority participates in the Housing Renewal Local Agency Retirement Plan. The Housing Authority provides pension benefits for all of its full-time employees through a defined contribution plan. All regular and full-time employees are eligible to participate in the plan on the first day of the month after completing six months of continuous and uninterrupted employment.

Under a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The employer is required to make monthly contributions equal to 8.5 percent of each participant's basic (excludes overtime) compensation. The covered employee contributes 6 percent of basic compensation. The Housing Authority's contribution for each employee and income allocated to the employee's account are fully vested after five years of continuous service. The Housing Authority's contributions and interest forfeited by employees who leave employment before five years of service are used to offset future contributions of the Housing Authority.

The Housing Authority's total payroll for year ended September 30, 2015 was \$485,315. The Housing Authority's contributions were calculated using the base salary amount of \$435,534. The Housing Authority made the required contributions of \$37,021, which was recognized as expense for the fiscal year. The covered employees made the required contributions of \$26,284 for the year ended September 30, 2015. The Housing Authority reported no forfeitures for the fiscal year ended September 30, 2015.

**NOTE 6 - ACCOUNTS PAYABLE** The account payables balances at September 30, 2015, are as follows:

Vendors	\$ 5,720
Payroll related liabilities	6,667
Resident council	12,120
Utilities	5,944
Total	<u>\$ 30,451</u>

**NOTE 7 - COMPENSATED ABSENCES** At September 30, 2015, employees of the Housing Authority have accumulated and vested \$96,323 of employee leave benefits, which was computed in accordance with GASB Codification Section C60. These amounts are recorded as liabilities in the funds from which payment will be made. Following is a summary of the compensated absence transactions for the year:

Balance, Beginning	\$ 87,201
Additions	30,249
Deductions	<u>21,127</u>
Balance, Ending	<u>96,323</u>
Amount Due in One Year	<u>\$ 21,127</u>

**NOTE 8 - COMMITMENTS AND CONTINGENCIES**

**Litigation** The Housing Authority is not presently involved in any litigation.

**Construction Projects** There are certain major construction projects in progress at September 30, 2015. These projects are being funded by HUD. Funds are requested periodically as the cost is incurred.



**Housing Authority of the Parish of St. James**  
**Notes to the Financial Statements**  
**September 30, 2015**

**Grant Disallowances** The Housing Authority participates in a number of state and federally assisted grant programs. The programs are subject to compliance audits under the single audit approach. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under terms of the grants.

**NOTE 9 - RISK MANAGEMENT** The Housing Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Housing Authority carries commercial insurance. The amounts of insurance settlements have not exceeded insurance coverage for any of the past three years.

**NOTE 10 - ECONOMIC DEPENDENCY** Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) 20-10-50-42 requires disclosure in financial statements of a situation where one entity provides more than 10% of the audited entity's revenues. The Department of Housing and Urban Development provided \$1,311,693 to the Housing Authority, which represents approximately 64% of the Housing Authority's total revenue for the year.

**NOTE 11 - INSURANCE RECOVERIES** Included in operating miscellaneous revenue is \$17,030 in insurance proceeds from vehicle damage. There was also an additional \$68,432 received to complete work on units burned in the 2012 fiscal year. This is reported as nonoperating miscellaneous revenue.

**NOTE 12 - SUBSEQUENT EVENTS** In November 2015, one of the Authority's dwelling structures, which included four units, had considerable fire damage. The damage was considered to be seventy percent of loss. Insurance proceeds are expected to cover the full cost of the damage, less the deductible of \$5,000.

In February 2016, the Central Housing Complex received damage to several units from a confirmed EF-3 tornado. The complex had approximately 13 buildings with varying degrees of roof damage as well as window damage. The Authority is seeking additional assistance from HUD due to the insurance policy not covering such damage.

**NOTE 13 - TAX CREDIT APPROVAL AND RAD CONVERSION** In March 2015, the Authority submitted an application for approval from the U.S. Department of Housing and Urban Development (HUD) for Rental Assistance Demonstration (RAD) Conversion for the Vacherie Housing AMP, which consists of Vacherie, Baytree and St. James-Hymel complexes, and the Oscar Brooks Housing AMP, which consists of Oscar Brooks, Convent and Central complexes. In addition to the RAD application, the Authority submitted applications to the Louisiana Housing Corporation (LHC) for tax credits. In June 2015, the Authority received HUD's Commitment to Enter into a Housing Assistance Payment (CHAP) for the RAD Conversion and in July 2015, the Authority received notification that the tax credit applications were approved. However, the Housing Authority did not sign the 2015 Carryover Allocation Agreement with the Louisiana Housing Corporation until December 2015.

The RAD Conversion will allow the Authority to convert the public housing developments to a Section 8 platform, by transferring ownership of the developments to a for-profit corporation. However, the developments will be maintained for low-income households. The tax credits will allow the Authority to renovate the developments to increase the marketability of the units for the RAD Conversion. No transactions had taken place during the fiscal year ended September 30, 2015 for the full conversion process nor were any tax-credit monies received.

**Housing Authority of the Parish of St. James**  
**Lutcher, Louisiana**  
**Schedule of Compensation, Benefits and Other Payments to Agency Head**  
**September 30, 2015**

**Agency Head Name:** Dana S. Groover, Executive Director

<b>Purpose</b>	<b>Amount</b>
Salary	\$111,144
Benefits-insurance	7,541
Benefits-retirement	14,168
Cell phone	1,033
Vehicle provided by government	2,080
Per diem	458
Reimbursements	291
Travel	
Registration fees	570
Conference travel	594
Continuing professional education fees	
Housing	
Dues	709
Special meals	

**Housing Authority of the Parish of St. James  
Lutcher, Louisiana  
Compensation Paid Board Members  
September 30, 2015**

The members of the Board of Commissioners serve without compensation. The members of the Board of Commissioners are as follows:

Florian Oubre, Chairman

Lois E. Jones-Moore (October 2014 to December 2014)

Lameka Williams-Gaines

Leo McQueen

Adam Koenig, Vice Chairman

Youlander Williams (December 2014 to present)

**Housing Authority of the Parish of St. James**  
**Financial Data Schedule**  
**As of and For the Year Ended September 30, 2015**

LA092      Submission Type:      Audited/A-133

	Project Total	14.870 Resident Opportunity and Supportive Services	14.877 Public Housing Family Self-Sufficiency under ROSS	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$676,210			\$676,210		\$676,210
112 Cash - Restricted - Modernization and Development						
113 Cash - Other Restricted	\$12,523			\$12,523		\$12,523
114 Cash - Tenant Security Deposits	\$40,453			\$40,453		\$40,453
115 Cash - Restricted for Payment of Current Liabilities						
100 Total Cash	\$729,186	\$0	\$0	\$729,186	\$0	\$729,186
121 Accounts Receivable - PHA Projects						
122 Accounts Receivable - HUD Other Projects	\$91,114	\$44,903	\$17,972	\$153,989		\$153,989
124 Accounts Receivable - Other Government						
125 Accounts Receivable - Miscellaneous						
126 Accounts Receivable - Tenants	\$7,883			\$7,883		\$7,883
126.1 Allowance for Doubtful Accounts -Tenants	-\$130			-\$130		-\$130
126.2 Allowance for Doubtful Accounts - Other	-\$186	\$0	\$0	-\$186		-\$186
127 Notes, Loans, & Mortgages Receivable - Current	\$246			\$246		\$246
128 Fraud Recovery	\$11,657			\$11,657		\$11,657
128.1 Allowance for Doubtful Accounts - Fraud	-\$11,657			-\$11,657		-\$11,657
129 Accrued Interest Receivable						
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$98,927	\$44,903	\$17,972	\$161,802	\$0	\$161,802
131 Investments - Unrestricted						
142 Prepaid Expenses and Other Assets	\$46,424	\$702	\$633	\$47,759		\$47,759
143 Inventories	\$35,603			\$35,603		\$35,603
143.1 Allowance for Obsolete Inventories	-\$3,560			-\$3,560		-\$3,560
144 Inter Program Due From	\$62,751			\$62,751	-\$62,751	\$0
145 Assets Held for Sale						
150 Total Current Assets	\$969,331	\$45,605	\$18,605	\$1,033,541	-\$62,751	\$970,790
161 Land	\$554,522			\$554,522		\$554,522
162 Buildings	\$15,446,425			\$15,446,425		\$15,446,425
163 Furniture, Equipment & Machinery - Dwellings						
164 Furniture, Equipment & Machinery - Administration	\$331,341	\$1,260		\$332,601		\$332,601
165 Leasehold Improvements						
166 Accumulated Depreciation	-\$12,470,645	-\$1,260		-\$12,471,905		-\$12,471,905
167 Construction in Progress						
160 Total Capital Assets, Net of Accumulated Depreciation	\$3,861,643	\$0	\$0	\$3,861,643	\$0	\$3,861,643
173 Grants Receivable - Non Current						
174 Other Assets						
180 Total Non-Current Assets	\$3,861,643	\$0	\$0	\$3,861,643	\$0	\$3,861,643
200 Deferred Outflow of Resources						
290 Total Assets and Deferred Outflow of Resources	\$4,830,974	\$45,605	\$18,605	\$4,895,184	-\$62,751	\$4,832,433

**Housing Authority of the Parish of St. James**  
**Financial Data Schedule**  
**As of and For the Year Ended September 30, 2015**

LA092      Submission Type:      Audited/A-133

	Project Total	14.870 Resident Opportunity and Supportive Services	14.877 Public Housing Family Self-Sufficiency under ROSS	Subtotal	ELIM	Total
311 Bank Overdraft						
312 Accounts Payable <= 90 Days	\$11,664			\$11,664		\$11,664
313 Accounts Payable >90 Days Past Due						
321 Accrued Wage/Payroll Taxes Payable	\$5,208	\$868	\$591	\$6,667		\$6,667
322 Accrued Compensated Absences - Current Portion	\$21,127			\$21,127		\$21,127
331 Accounts Payable - HUD PHA Programs						
332 Account Payable - PHA Projects						
333 Accounts Payable - Other Government						
341 Tenant Security Deposits	\$40,453			\$40,453		\$40,453
342 Unearned Revenue	\$3,113			\$3,113		\$3,113
345 Other Current Liabilities						
346 Accrued Liabilities - Other	\$12,120			\$12,120		\$12,120
347 Inter Program - Due To		\$44,737	\$18,014	\$62,751	-\$62,751	\$0
348 Loan Liability - Current						
310 Total Current Liabilities	\$93,685	\$45,605	\$18,605	\$157,895	-\$62,751	\$95,144
353 Non-current Liabilities - Other	\$12,523			\$12,523		\$12,523
354 Accrued Compensated Absences - Non Current	\$75,196			\$75,196		\$75,196
350 Total Non-Current Liabilities	\$87,719	\$0	\$0	\$87,719	\$0	\$87,719
300 Total Liabilities	\$181,404	\$45,605	\$18,605	\$245,614	-\$62,751	\$182,863
400 Deferred Inflow of Resources						
508.4 Net Investment in Capital Assets	\$3,861,643			\$3,861,643		\$3,861,643
511.4 Restricted Net Position						
512.4 Unrestricted Net Position	\$787,927	\$0	\$0	\$787,927		\$787,927
513 Total Equity - Net Assets / Position	\$4,649,570	\$0	\$0	\$4,649,570	\$0	\$4,649,570
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$4,830,974	\$45,605	\$18,605	\$4,895,184	-\$62,751	\$4,832,433

**Housing Authority of the Parish of St. James**  
**Financial Data Schedule**  
**As of and For the Year Ended September 30, 2015**

LA092	Submission Type:	Audited/A-133					
		Project Total	14 870 Resident Opportunity and Supportive Services	14 877 Public Housing Family Self- Sufficiency under ROSS	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue		\$564,314			\$564,314		\$564,314
70400 Tenant Revenue - Other		\$57,290			\$57,290		\$57,290
70500 Total Tenant Revenue		\$621,604	\$0	\$0	\$621,604	\$0	\$621,604
70600 HUD PHA Operating Grants		\$1,051,268	\$96,907	\$68,563	\$1,216,738		\$1,216,738
70610 Capital Grants		\$94,955			\$94,955		\$94,955
70710 Management Fee							
70720 Asset Management Fee							
70730 Book Keeping Fee							
70740 Front Line Service Fee							
70750 Other Fees							
70700 Total Fee Revenue					\$0	\$0	\$0
70800 Other Government Grants							
71100 Investment Income - Unrestricted		\$409			\$409		\$409
71200 Mortgage Interest Income							
71310 Cost of Sale of Assets							
71400 Fraud Recovery		\$2,875			\$2,875		\$2,875
71500 Other Revenue		\$123,010			\$123,010		\$123,010
71600 Gain or Loss on Sale of Capital Assets		-\$10,190			-\$10,190		-\$10,190
72000 Investment Income - Restricted							
70000 Total Revenue		\$1,883,931	\$96,907	\$68,563	\$2,049,401	\$0	\$2,049,401
91100 Administrative Salaries		\$260,470			\$260,470		\$260,470
91200 Auditing Fees		\$22,850			\$22,850		\$22,850
91300 Management Fee							
91310 Book-keeping Fee							
91400 Advertising and Marketing		\$1,558			\$1,558		\$1,558
91500 Employee Benefit contributions - Administrative		\$84,445			\$84,445		\$84,445
91600 Office Expenses		\$91,150			\$91,150		\$91,150
91700 Legal Expense		\$10,019			\$10,019		\$10,019
91800 Travel		\$20,118	\$2,782		\$22,900		\$22,900
91810 Allocated Overhead							
91900 Other		\$43,727	\$6,310		\$50,037		\$50,037
91000 Total Operating - Administrative		\$534,337	\$9,092	\$0	\$543,429	\$0	\$543,429
92000 Asset Management Fee							
92100 Tenant Services - Salaries		\$26,756	\$69,679	\$50,549	\$146,984		\$146,984
92200 Relocation Costs							
92300 Employee Benefit Contributions - Tenant Services		\$9,471	\$17,680	\$15,290	\$42,441		\$42,441
92400 Tenant Services - Other		\$28,470			\$28,470		\$28,470
92500 Total Tenant Services		\$64,697	\$87,359	\$65,839	\$217,895	\$0	\$217,895
93100 Water		\$7,188			\$7,188		\$7,188
93200 Electricity		\$76,118			\$76,118		\$76,118
93300 Gas		\$2,071			\$2,071		\$2,071
93400 Fuel							
93500 Labor							
93600 Sewer		\$67,578			\$67,578		\$67,578
93800 Other Utilities Expense							
93000 Total Utilities		\$152,955	\$0	\$0	\$152,955	\$0	\$152,955

**Housing Authority of the Parish of St. James**  
**Financial Data Schedule**  
**As of and For the Year Ended September 30, 2015**

LA092	Submission Type:	Audited/A-133					
		Project Total	14 870 Resident Opportunity and Supportive Services	14 877 Public Housing Family Self- Sufficiency under ROSS	Subtotal	ELIM	Total
94100	Ordinary Maintenance and Operations - Labor	\$117,935			\$117,935		\$117,935
94200	Ordinary Maintenance and Operations - Materials and Other	\$141,033			\$141,033		\$141,033
94300	Ordinary Maintenance and Operations Contracts	\$190,349			\$190,349		\$190,349
94500	Employee Benefit Contributions - Ordinary Maintenance	\$39,458			\$39,458		\$39,458
94000	Total Maintenance	\$488,775	\$0	\$0	\$488,775	\$0	\$488,775
95100	Protective Services - Labor						
95200	Protective Services - Other Contract Costs						
95300	Protective Services - Other						
95500	Employee Benefit Contributions - Protective Services						
95000	Total Protective Services	\$0	\$0	\$0	\$0	\$0	\$0
96110	Property Insurance	\$109,119			\$109,119		\$109,119
96120	Liability Insurance	\$26,846			\$26,846		\$26,846
96130	Workmen's Compensation	\$32,474			\$32,474		\$32,474
96140	All Other Insurance	\$20,515			\$20,515		\$20,515
96100	Total insurance Premiums	\$188,954	\$0	\$0	\$188,954	\$0	\$188,954
96200	Other General Expenses	\$69,010			\$69,010		\$69,010
96210	Compensated Absences	\$63,105	\$456	\$2,724	\$66,285		\$66,285
96300	Payments in Lieu of Taxes						
96400	Bad debt - Tenant Rents	\$15,718			\$15,718		\$15,718
96500	Bad debt - Mortgages						
96600	Bad debt - Other						
96800	Severance Expense						
96000	Total Other General Expenses	\$147,833	\$456	\$2,724	\$151,013	\$0	\$151,013
96710	Interest of Mortgage (or Bonds) Payable						
96720	Interest on Notes Payable (Short and Long Term)						
96730	Amortization of Bond Issue Costs						
96700	Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$0	\$0	\$0
96900	Total Operating Expenses	\$1,577,551	\$96,907	\$68,563	\$1,743,021	\$0	\$1,743,021
97000	Excess of Operating Revenue over Operating Expenses	\$306,380	\$0	\$0	\$306,380	\$0	\$306,380
97100	Extraordinary Maintenance						
97200	Casualty Losses - Non-capitalized						
97300	Housing Assistance Payments						
97350	HAP Portability-In						
97400	Depreciation Expense	\$577,475	\$210		\$577,685		\$577,685
97500	Fraud Losses						
97600	Capital Outlays - Governmental Funds						
97700	Debt Principal Payment - Governmental Funds						
97800	Dwelling Units Rent Expense						
90000	Total Expenses	\$2,155,026	\$97,117	\$68,563	\$2,320,706	\$0	\$2,320,706
10010	Operating Transfer In	\$144,280			\$144,280	-\$144,280	\$0
10020	Operating transfer Out	-\$144,280			-\$144,280	\$144,280	\$0

**Housing Authority of the Parish of St. James**  
**Financial Data Schedule**  
**As of and For the Year Ended September 30, 2015**

LA092                      Submission Type:                      Audited/A-133

	Project Total	14 870 Resident Opportunity and Supportive Services	14 877 Public Housing Family Self- Sufficiency under ROSS	Subtotal	ELIM	Total
10030 Operating Transfers from/to Primary Government						
10040 Operating Transfers from/to Component Unit						
10050 Proceeds from Notes, Loans and Bonds						
10060 Proceeds from Property Sales						
10070 Extraordinary Items, Net Gain/Loss						
10080 Special Items (Net Gain/Loss)						
10091 Inter Project Excess Cash Transfer In						
10092 Inter Project Excess Cash Transfer Out						
10093 Transfers between Program and Project - In						
10094 Transfers between Project and Program - Out						
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$271,095	-\$210	\$0	-\$271,305	\$0	-\$271,305
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0		\$0
11030 Beginning Equity	\$4,920,665	\$210	\$0	\$4,920,875		\$4,920,875
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$0			\$0		\$0
11050 Changes in Compensated Absence Balance						
11060 Changes in Contingent Liability Balance						
11070 Changes in Unrecognized Pension Transition Liability						
11080 Changes in Special Term/Severance Benefits Liability						
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents						
11100 Changes in Allowance for Doubtful Accounts - Other						
11170 Administrative Fee Equity						
11180 Housing Assistance Payments Equity						
11190 Unit Months Available	3368			3368		3368
11210 Number of Unit Months Leased	3270			3270		3270
11270 Excess Cash	\$653,194			\$653,194		\$653,194
11610 Land Purchases	\$0			\$0		\$0
11620 Building Purchases	\$94,955			\$94,955		\$94,955
11630 Furniture & Equipment - Dwelling Purchases	\$0			\$0		\$0
11640 Furniture & Equipment - Administrative Purchases	\$0			\$0		\$0
11650 Leasehold Improvements Purchases	\$0			\$0		\$0
11660 Infrastructure Purchases	\$0			\$0		\$0
13510 CFFP Debt Service Payments	\$0			\$0		\$0
13901 Replacement Housing Factor Funds	\$0			\$0		\$0





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(Retired) 1963 - 2000

## **Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards***

### **Independent Auditor's Report**

Board of Commissioners  
Housing Authority of the Parish of St. James  
Lutcher, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Housing Authority of the Parish of St. James, as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the basic financial statements of the Housing Authority of the Parish of St. James and have issued our report thereon dated March 29, 2016.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Housing Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Housing Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Housing Authority's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Housing Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the Housing Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Housing Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Although the intended use of these reports may be limited, under Louisiana Revised Statute 24:513 this report is distributed by the Louisiana Legislative Auditor as a public document.



ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana  
March 29, 2016



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## **Report on Compliance For Each Major Federal Program; And Report on Internal Control Over Compliance; Required by OMB Circular A-133**

### **Independent Auditor's Report**

Board of Commissioners  
Housing Authority of the Parish of St. James  
Lutcher, Louisiana

#### **Report on Compliance for Each Major Federal Program**

We have audited the Housing Authority of the Parish of St. James's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Housing Authority's major federal programs for the year ended September 30, 2015. The Housing Authority's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

#### ***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

#### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the Housing Authority's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Housing Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Housing Authority's compliance.

### ***Opinion on Each Major Federal Program***

In our opinion, the Housing Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2015.

### ***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2015-001. Our opinion on each major federal program is not modified with respect to these matters.

The Housing Authority's response to the noncompliance findings identified in our audit are described in the accompanying Corrective Action Plan for Current Year Findings and Questioned Costs. The Housing Authority's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### **Report on Internal Control Over Compliance**

Management of the Housing Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Housing Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a certain deficiency in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as item 2015-001, that we consider to be a significant deficiency.

The Housing Authority's response to the internal control over compliance findings identified in our audit are described in the accompanying Corrective Action Plan for Current Year Findings and Questioned Costs. The Housing Authority's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Although the intended use of these reports may be limited, under Louisiana Revised Statute 24:513 this report is distributed by the Louisiana Legislative Auditor as a public document.

*Allen, Green & Williamson, LLP*

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana  
March 29, 2016

**Housing Authority of the Parish of St. James  
Schedule of Expenditures of Federal Awards  
For the Year Ended September 30, 2015**

FEDERAL GRANTOR	<u>CFDA Number</u>	<u>Pass-through Grantor No.</u>	<u>Expenditures</u>
United States Department of Housing and Urban Development			
Direct Programs:			
Public and Indian Housing			
Operating Subsidy	14.850	LA09200000115D, LA09200000215D, LA09200000114D, LA09200000214D	\$ 906,988
 Public Housing Capital Fund Program	 14.872	 LA48P092501-13, LA48P092501-14	 239,235
Resident Opportunity and Supportive Services	14.870	LA092RPS090A010,	96,907
Public Housing Family Self Sufficiency	14.877	LA092RFS185A013, LA092FSH271A014	68,563
 TOTAL FEDERAL AWARDS (Total Department of Housing and Urban Development)			 <u><u>\$ 1,311,693</u></u>

**Housing Authority of the Parish of St. James**  
**Notes to the Schedule of Expenditures of Federal Awards**  
**For the Year Ended September 30, 2015**

**NOTE 1 - GENERAL** The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the Housing Authority. The Housing Authority reporting entity is defined in Note 1 to the Housing Authority's financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, is included on the schedule.

**NOTE 2 - BASIS OF ACCOUNTING** The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in Note 1 to the Housing Authority's financial statements.

**NOTE 3 - RELATIONSHIP TO FINANCIAL STATEMENTS** Federal awards revenues are reported in the Housing Authority's financial statements as follows:

Operating revenues - federal grants	\$ 1,216,738
Capital contributions	94,955
Total	<u>\$ 1,311,693</u>

**NOTE 4 - RELATIONSHIP TO FEDERAL FINANCIAL REPORTS** Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports except for changes made to reflect amounts in accordance with accounting principles generally accepted in the United States of America.

**NOTE 5 - FEDERAL AWARDS** For those funds that have matching revenues and state funding, federal expenditures were determined by deducting matching revenues from total expenditures. Federal awards do not include the Housing Authority operating income from rents or investments (or other non-federal sources). In addition, the entire amount of operating subsidy received during the fiscal year is considered to be "expended" during the fiscal year.

**Housing Authority of the Parish of St. James  
Schedule of Findings and Questioned Costs  
As of and for the Year Ended September 30, 2015**

**PART I - Summary of the Auditor's Results**

**Financial statement audit**

- i. The type of audit report issued was unmodified.
- ii. There were no significant deficiencies required to be disclosed by Government Auditing Standards issued by the Comptroller General of the United States of America.
- iii. There were no instances of noncompliance considered material, as defined by the Government Auditing Standards, to the financial statement.

**Audit of federal awards**

- iv. There was one significant deficiency required to be disclosed by OMB Circular A-133. The significant deficiency was not considered to be a material weakness.
- v. The type of report the auditor issued on compliance for major programs was unmodified.
- vi. The audit disclosed one audit finding which the auditor is required to report under OMB Circular A-133, Section .510(a).
- vii. The major federal programs are:
  - CFDA# 14.850                      Public Housing
- viii. The dollar threshold used to distinguish between Type A and Type B programs as described in OMB Circular A-133, Section .520(b) was \$300,000.
- ix. The auditee does qualify as a low-risk auditee under OMB Circular A-133, Section .530.



**Housing Authority of the Parish of St. James  
Schedule of Findings and Questioned Costs  
As of and for the Year Ended September 30, 2015**

**Part III – Findings and questioned costs for federal awards which are required to be reported under OMB Circular A-133 Section .510(a):**

<b><u>Reference # and title:</u></b>	<b><u>2015-001</u></b>	<b><u>Test of Resident Files</u></b>
<b><u>Federal program and specific federal award identification:</u></b>	<b><u>CFDA Number</u></b>	<b><u>Award Year</u></b>
FEDERAL GRANTOR United States Department of Housing and Urban Development Public and Indian Housing Program	14.850	2014 and 2015

**Criteria or specific requirement:** The Housing Authority must re-examine family income and composition at least once every 12 months and adjust the total rent as necessary according to 24 CFR sections 5.617 and 960.209. Changes in the rent calculation resulting from the re-examination should be reflected in the rental register. Each time the Housing Authority has an admission or re-examination, they are required to submit HUD form 50058 electronically to HUD. The resident files must contain the Form 50058 as well as the following pertinent information: social security cards, birth certificates, (or valid documentation of birth dates) and third party verifications of income, child care expenses and medical expenses. The resident files should also contain a signed HUD form 9886 annually by all adults within the household.

**Condition found:** When testing twenty-five resident files, the following was noted:

- Two files had exceptions in which the food stamps were not excluded from income on the 50058.
- One file had an exception in which the income reported on the 50058 did not agree to supporting documentation.

**Possible asserted effect (cause effect):**

**Cause:** The auditor was unable to determine the cause.

**Effect:** The Housing Authority may not have met some of the federal requirements regarding reporting due to resident file documentation.

**Recommendations to prevent future occurrences:** The Housing Authority should strengthen their quality control procedures to ensure resident income is calculated and reported accurately.

**View of responsible official:** After examining the paperwork and the information entered into the system for these three files, each of them are a data entry or key punch error. The staff person had the correct written data on the required back up worksheet and paperwork; however upon entering the data the excluded income was not carried over for the Food Stamp income and the income information was correct on the file documentation but incorrect in the system. Two of the files had been corrected at an interim or subsequent recertification action prior to this review and the other file has been corrected since the review. Quality Control will be increased to 40% of the monthly recertification files and 100% of all move in records to prevent future errors. There is no evidence or information that these errors are systemic and continued training will be provided along with management spot checks in addition to the Quality Control.

**Housing Authority of the Parish of St. James  
Corrective Action Plan for Current Year Findings and Questioned Costs  
As of and for the Year Ended September 30, 2015**

**Reference # and title:**                      **2015-001**              **Test of Resident Files**

<b><u>Federal program and specific federal award identification:</u></b>	<b><u>CFDA Number</u></b>	<b><u>AwardYear</u></b>
FEDERAL GRANTOR United States Department of Housing and Urban Development Public and Indian Housing Program	14.850	2014 and 2015

**Condition:** The Housing Authority must re-examine family income and composition at least once every 12 months and adjust the total rent as necessary according to 24 CFR sections 5.617 and 960.209. Changes in the rent calculation resulting from the re-examination should be reflected in the rental register. Each time the Housing Authority has an admission or re-examination, they are required to submit HUD form 50058 electronically to HUD. The resident files must contain the Form 50058 as well as the following pertinent information: social security cards, birth certificates, (or valid documentation of birth dates) and third party verifications of income, child care expenses and medical expenses. The resident files should also contain a signed HUD form 9886 annually by all adults within the household.

When testing twenty-five resident files, the following was noted:

- Two files had exceptions in which the food stamps were not excluded from income on the 50058.
- One file had an exception in which the income reported on the 50058 did not agree to supporting documentation.

**Corrective action plan:** Each of the three errors have been corrected and two resulted in rental credits to the residents rental accounts where the food stamps were not excluded as income and was a key punch error. The income not agreeing with the file was another key punch error as the file documentation was correct in the paperwork; however the computer entry formula was not updated that resulted in a lower rent and this error has been corrected. Supervisory meeting was held with all applicable staff to discuss the errors and Quality Control program of Resident files will continue at 100% for new move-ins and transfer files and we will increase the percentage of recertification files from 20% to 40% of the monthly recertification files each month to be conducted at least 30 days prior to the recertification effective date to allow corrections (if any) to be applied as needed prior to the actual date of any rental changes or recertification dates. Quality control reports are emailed to the Supervisor and the staff member to ensure corrections are made in a timely manner with corrected files verified by the Supervisor with both the documentation and the computer record.

**Person responsible for corrective action plan:**

Dana Groover, Executive Director	Telephone:	225-869-3278
P O Box 208	Fax:	225-869-8552
Lutcher, LA 70071		

**Anticipated completion date:** Immediately - Complete.